Alberta

Freedom To Create. Spirit To Achieve.

Infrastructure

Annual Report
2010-2011

Government of Alberta

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Preface

Public Accounts 2010-11

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 29, 2011 contains Ministers' accountability statements, the consolidated financial statements of the Province and *The Measuring Up* report, which compares actual performance results to desired results set out in the government's business plan.

This annual report of the Ministry of Infrastructure contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2011, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at June 6, 2011 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed by Ray Danyluk]

Ray Danyluk
Minister of Infrastructure

Message from the Minister

Infrastructure is integral to the quality of life of all Albertans. The Ministry is dedicated to providing and maintaining cost-effective, innovative and sustainable public facilities that meet the needs of Albertans. By balancing new construction with opportunities to renovate, repurpose and revitalize existing facilities, we continue to deliver buildings that work for the people who use them, for the communities where they are located, and for future generations of Albertans.

Premier Ed Stelmach's vision for our province includes having the most advanced infrastructure in North America. Working together with our key stakeholders, we are committed to serving Albertans with first class public facilities, including schools, post-secondary institutions and health care facilities.

We continue to seek out and develop innovative, progressive infrastructure solutions. For example, through Alberta Schools Alternative Procurement (ASAP) Phase I, we completed 18 schools in Edmonton and Calgary ahead of schedule, opening the doors to 12,000 students in 2010. We continue to move forward with ASAP Phase II, which will see 14 additional schools opening in six Alberta communities in 2012. We also provided support to school boards in the construction and modernization of 50 schools funded by the Government of Alberta.

Planning and construction of numerous post-secondary and health care facility projects are also underway. Major health care facility projects include the Edmonton Clinic Health Academy, Grande Prairie Regional Healthcare Centre and South Health Campus in Calgary. Expected to open within the next four years, these advanced and locally-tailored facilities support the high-quality instruction, care, innovation and research activities that take place within them. Construction also continues on the Edmonton Remand Centre. Renovations to the Federal Building are ongoing and targeting Leadership in Energy and Environmental Design (LEED) Gold standards. The project, which includes restoration of historic architectural features and original materials, will be completed to coincide with the centennial of the Alberta Legislature Building. We have also announced that a new, comprehensive Royal Alberta Museum will be built in downtown Edmonton to showcase Alberta's history and natural wonders. It is expected to be completed in 2015.

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Alberta Infrastructure continues to lead by example in reducing the environmental impact of its buildings. This includes adopting the Building Owners and Managers Association (BOMA) Building Environmental Standards (BESt) Certification for existing government buildings. These standards address resource consumption, waste and recycling, hazardous materials and preventative maintenance. This year we reached our goal of certifying 82 government buildings, comprising our largest facilities. We've also adopted the LEED Silver certification, as a minimum, for all new government building projects. LEED Silver buildings create cost efficiencies and reduce environmental impacts by using up to 45 per cent less energy and improving water use. Infrastructure is leading the *Greening Government Strategy* that emphasizes environmentally positive operations and practices. This includes desk-side recycling and daytime caretaking to reduce operational hours and electricity usage.

Our success is due primarily to the dedicated staff of the Ministry of Infrastructure, both on the front lines and behind the scenes, whose talent, commitment and enthusiasm ensures that Albertans have the most efficient, sustainable, and cost-effective facilities possible. I'm proud to be a part of such a hardworking, dedicated, and professional team. Together, we are committed to delivering buildings that work for Alberta, today and tomorrow.

[Original signed by Ray Danyluk]

Ray Danyluk
Minister of Infrastructure

Management's Responsibility for Reporting

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the Ministry. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Infrastructure. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- **Reliability** – Information agrees with the underlying data and the sources used to prepare it.
- **Understandability and Comparability** – Current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- **Completeness** – Performance measures and targets match those included in Budget 2010.

As Deputy Minister, in addition to program responsibilities, I am responsible for the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and Enterprise and the Minister of Infrastructure any information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executives within the Ministry.

[Original signed by Barry Day]

Barry Day
Deputy Minister of Infrastructure
June 6, 2011

MINISTRY OVERVIEW

The Ministry of Infrastructure has a vision of providing innovative, high-quality and well-designed public infrastructure for Albertans, with a mission to achieve this through leadership, expertise, and collaboration with our partners. The Ministry supports the provision of public infrastructure that contributes to the province's prosperity and quality of life.

The Ministry of Infrastructure aligns its services under three goals:

Goal 1: Excellence in the provision of safe, innovative and cost-effective infrastructure for Albertans;

Goal 2: Sustainable public infrastructure; and

Goal 3: High-quality accommodation and property services for government.

In support of these goals, the Ministry works with partner ministries, boards, agencies and other stakeholders to procure, preserve and upgrade supported capital infrastructure, including health facilities, schools and post-secondary institutions. The Ministry also delivers major government-owned capital projects to support program delivery, and provides technical support for the government capital planning process.

The Ministry has demonstrated excellence in alternative procurement, including the Alberta Schools Alternative Procurement (ASAP) project, as well as expertise in achieving the Leadership in Energy and Environmental Design (LEED) designation for public buildings.

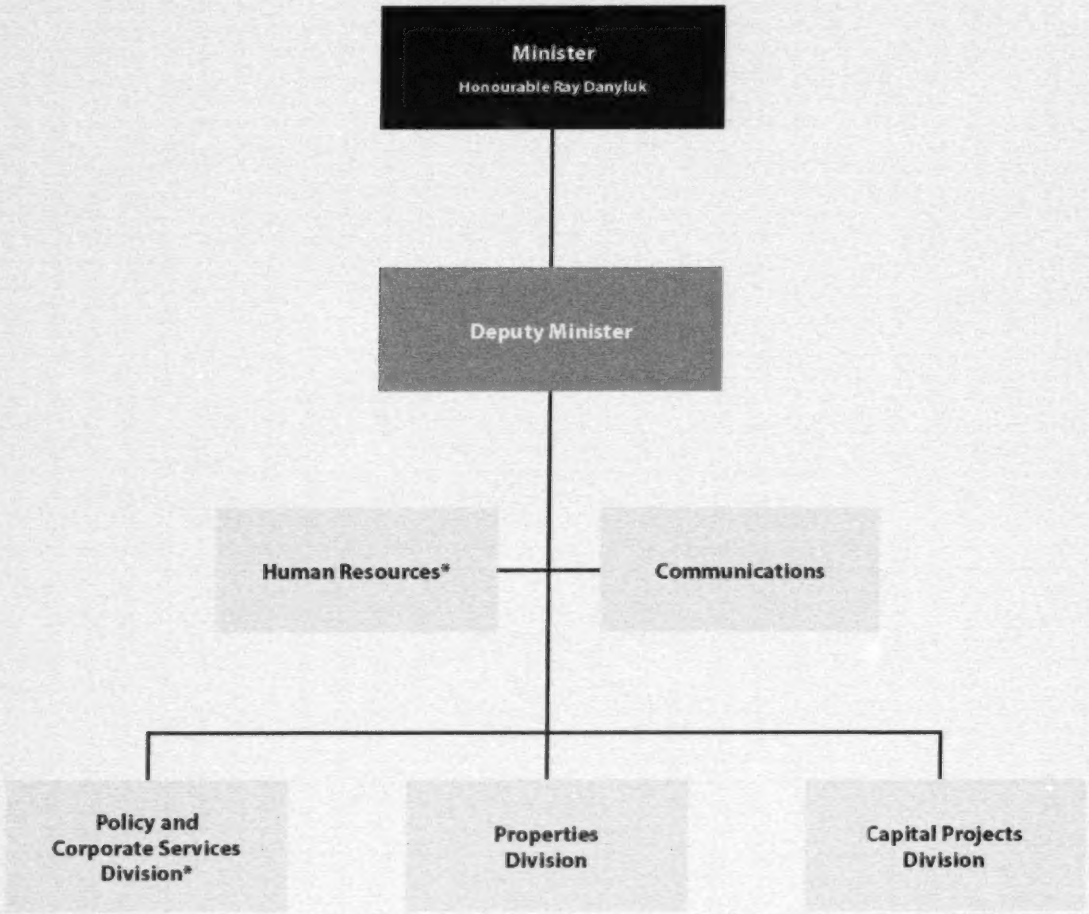
The Ministry provides professional management services for the development of regional strategic infrastructure plans, manages corporate assets and develops and implements facility plans that support program delivery. In total, the Ministry provides facility management services to maintain and operate approximately 1,950 owned and leased facilities across the province, including general office space, museums, courthouses, correctional centres, service buildings and research facilities.

The Ministry also manages the Edmonton and Calgary Transportation and Utility Corridors, and oversees the operation of the Swan Hills Treatment Centre for the treatment and disposal of hazardous waste.

As part of its commitment to excellence, the Ministry is continually researching and leading the implementation of best practices in planning, design and construction to meet the changing needs of Albertans. This includes examining the most efficient and cost-effective approaches, addressing critical maintenance projects, working with all levels of government to support infrastructure planning and incorporating environmentally responsible practices.

ORGANIZATIONAL OVERVIEW

Ministry of Infrastructure organization as at March 31, 2011.



*Policy and Corporate Services and Human Resources are shared services with the Ministry of Transportation.

RESULTS ANALYSIS

Review Engagement Report

AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly

I have reviewed the performance measure identified as "Reviewed by Auditor General" in the *Ministry of Infrastructure's 2010-11 Annual Report*. This performance measure is the responsibility of the Ministry and is prepared based on the following criteria:

- Reliability – Information agrees with the underlying data and with sources used to prepare it.
- Understandability and Comparability – Current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- Completeness – Performance measures and targets match those included in Budget 2010.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to my Office by the Ministry. My review was not designed to provide assurance on the relevance of this performance measure.

A review does not constitute an audit and, consequently, I do not express an audit opinion on the performance measure.

Based on my review, nothing has come to my attention that causes me to believe that the "Reviewed by Auditor General" performance measure in the Ministry's 2010-11 Annual Report is not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above. However, my review was not designed to provide assurance on the relevance of this performance measure.

[Original signed by Merwan N. Saher, CA]

Auditor General

June 6, 2011

Edmonton, Alberta

Performance Measures Summary Table

Core Businesses/Goals/Measure(s)		Prior Years' Results				Target	Current Actual
		2006-07	2007-08	2008-09	2009-10	2010-11	2010-11
Core Business One: Efficient provision of public infrastructure.							
Goal 1: *Excellence in the provision of safe, innovative and cost-effective infrastructure for Albertans.*							
Measure 1.a: Health Facilities – Physical Condition.	Good	67%	65%	72%	65%	70%	N/A[1]
	Fair	28%	26%	26%	30%	23%	N/A
	Poor	5%	9%	2%	5%	7%	N/A
Measure 1.b: School Facilities – Physical Condition.	Good	71%	69%	67%	63%	73%	N/A
	Fair	26%	27%	29%	33%	25%	N/A
	Poor	3%	4%	4%	4%	2%	N/A
Measure 1.c: Post-Secondary Facilities – Physical Condition.	Good	60%	65%	60%	64%	60%	N/A
	Fair	30%	25%	32%	30%	30%	N/A
	Poor	10%	10%	8%	6%	10%	N/A
Core Business Two: Ensuring infrastructure sustainability and stewardship.							
Goal 2: *Sustainable public infrastructure*							
Measure 2.a: Government Owned and Operated Facilities – Physical Condition.	Good	N/A	N/A	63%	62%	60%	N/A
	Fair			34%	35%	37%	N/A
	Poor			3%	3%	3%	N/A
Measure 2.b: Average Operating Cost per Square Metre of Government Owned and Operated Office Space Compared to Industry Average.		81%	77%	76%	N/A[2]	69%	N/A[2]
Measure 2.c: Energy Consumption in Megajoules per Square Metre in Government Owned and Operated Facilities.*		1,746	1,730	1,672	1,667	1,675	1,651
Core Business Three: Planning and providing government accommodation services to support program facility requirements.							
Goal 3: *High-quality accommodation and property services for government.*							
Measure 3.a: Client Satisfaction Survey – Property Development Quality of Service Rating.[3]		N/A	4.6	N/A	4.8	N/A	N/A

* Indicates Performance Measure that has been reviewed by the Office of the Auditor General.
The performance measure indicated with an asterisk was selected for review by Ministry management based on the following criteria established by government:

- Enduring measures that best represent the goal and mandated initiatives,
- Measures for which new data is available, and
- Measures that have well established methodology.

[1] No new data is available at this time for reporting against targets because of the change in reporting timelines and improvements to methodology.
[2] The average operating cost of government owned and operated office space could not be reported as a percentage of the industry average as industry average operating cost data was not available for the reporting year.
[3] The client satisfaction survey is completed every two years.

DISCUSSION & ANALYSIS OF RESULTS

Core Business 1 – Efficient provision of public infrastructure.

GOAL 1 – Excellence in the provision of safe, innovative and cost-effective infrastructure for Albertans.

In 2010-11, Infrastructure spent $266 million to support the delivery of health and education facilities. The Ministry is committed to providing and maintaining expertise in procurement, facility design and cost management to provide innovative, cost-effective and high-quality facilities for Albertans.

Working in partnership with other ministries, school boards, post-secondary institutions and Alberta Health Services, the Ministry is focused on ensuring that health and learning facility projects incorporate best practices, such as standard facility designs and life cycle costing.

In 2010-11, the Ministry of Infrastructure made significant progress in advancing several learning facility projects. The Alberta Schools Alternative Procurement (ASAP) Phase I project was a public-private partnership (P3) to design, build, finance and maintain 18 new schools in Calgary and Edmonton. The schools were scheduled to open in September 2010, but were completed and delivered to school boards one month ahead of schedule.

ASAP Phase II will deliver 14 new schools in communities in and around Edmonton and Calgary by 2012. The schools are forecasted to be completed and delivered to school boards four months ahead of schedule, before June 2012. Four high schools will be completed through a design-build process, resulting in cost savings of $25 million, while 10 new elementary and middle schools will be delivered using Alberta's P3 model. Through the public-private partnership procurement process, these schools are projected to save $105 million over 30 years.

Infrastructure undertook the planning, design and delivery of major health facility projects in 2010-11. Major projects are defined as having a budget over five million dollars. Twenty health projects already being implemented were transferred from Alberta Health Services and Alberta Health and Wellness to Infrastructure at the end of 2010. Funding held by Alberta Health Services for the 20 projects was also transferred to the Ministry and spent on those projects. Infrastructure will continue to collaborate with Alberta Health Services to ensure that new health facilities being constructed continue to meet the needs of Albertans.

Among the projects being implemented by the Ministry is the Central Alberta Cancer Centre in Red Deer, which will reduce wait times for life-saving cancer treatment and extend access to cancer care to central Albertans. This Centre is slated for completion in 2013. Other projects include the Edmonton Clinic Health Academy at the University of Alberta and the Trades and Technology Complex at the Southern Alberta Institute of Technology.

The Ministry completed several major supported infrastructure projects, including the Ernest Manning Replacement High School in Calgary, the Taylor Family Digital Library at the University of Calgary and the Centennial Centre for Interdisciplinary Science at the University of Alberta. Several health projects were also completed, including the Cochrane Community Health Centre, the East Calgary Community Health Centre, the new Villa Caritas geriatric psychiatry facility in Edmonton and the Jack Ady Cancer Centre in Lethbridge.

As part of the work the Ministry does to provide efficient public infrastructure, the department continually strives to enhance its role as a centre of excellence. This includes continually assessing and implementing best practices, such as Building Information Modeling, integrated project delivery, value management, lean design, evidence-based design, building performance evaluations and post-occupancy reviews.

Performance Measures

To indicate how well the Ministry performed in achieving Goal One, the physical condition of existing health facilities, schools and post-secondary institutions are monitored and reported.

To enhance reporting and enable the Ministry to compare condition ratings across facilities, a Facility Condition Index (FCI) was implemented as a basis for determining the condition rating of each facility. The FCI is the ratio of the cost to correct current and future (five year) physical condition deficiencies, relative to current facility replacement values. The percentages are calculated by taking the square metres of all facilities in good, fair or poor condition (as defined by FCI) and dividing each by the total area of all buildings.

The interpretation of FCI values for building infrastructure is as follows:

Condition	FCI Definition	Capital Planning Initiative Definition
Good	Facilities with an FCI of less than 15%	Adequate for intended use and expected to provide continued service life with average maintenance.
Fair	Facilities with an FCI that is equal to or greater than 15%, or equal to or less than 40%	Aging components are nearing the end of their life cycle and require additional expenditures for renewal or refurbishing.
Poor	Facilities with an FCI of greater than 40%	Upgrading is required to comply with current codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

NOTE: Current codes and standards are defined by the Alberta Building Code, which is revised periodically, or other mandatory requirements. Older buildings are 'grandfathered' and required to comply with the standards applicable at the time they were constructed, and not the current standards.

Performance measure 1.a: Health Facilities – Physical Condition reports the percentage of health facilities (by area) rated in good, fair or poor condition using the FCI. The long-term goal of government is to preserve health facilities and other infrastructure. The condition measure provides data in support of long-term capital planning of health facilities across the province. This measure also links to Goal Five, "Albertans will be healthy," in the *2010-13 Government of Alberta Strategic Business Plan*.

No new data is available at this time for reporting against the targets because of the change in reporting timelines and improvements to methodology currently being implemented. The physical condition of health facilities will continue to improve as new facilities are completed and included in the database, and decommissioned facilities are removed. The quality of data captured will also continue to improve as more facilities are evaluated by independent consultants using the methodology consistent with other supported facilities.

For methodology and data sources related to this measure, please see page 20.

Performance measure 1.b: School Facilities – Physical Condition reports the percentage of schools (by area) rated in good, fair or poor condition using FCI. The condition measure provides data in support of government's long-term goal of preserving learning facilities and continuous capital planning of school facilities across the province. This measure links to Goal Two in the *2010-13 Government of Alberta Strategic Business Plan*, "Albertans will be well prepared for lifelong learning."

No new data is available at this time for reporting against the targets because of the change in reporting timelines and improvements to methodology currently being implemented. Revisions to the evaluation methodology are expected to have a one to two year impact on results before stabilizing. The changes to the methodology will standardize the calculation with other facility types. The results will be reflected in future years' data.

Government continues to invest in the construction of new schools, including 18 new facilities delivered in Edmonton and Calgary in 2010-11, as well as the maintenance of existing schools and the replacement of inefficient facilities. There are currently more than 21 modernization projects underway in the province (as of March 31, 2011).

For methodology and data sources related to this measure, please see page 20.

Performance measure 1.c: Post-Secondary Facilities – Physical Condition reports the percentage of post-secondary facilities (by area) rated in good, fair or poor condition using a Facility Condition Index. This condition measure provides data in support of long-term capital planning of post-secondary facilities across the province and supports Goal Two of the *2010-13 Government of Alberta Strategic Business Plan*, "Albertans will be well prepared for lifelong learning."

No new data is available at this time for reporting against the targets because of the change in reporting timelines and improvements to methodology currently being implemented. Updated replacement values and changes to methodology established in the previous year will continue to impact results over the next year before stabilizing.

In 2010-11, $73 million was provided to institutions from the Infrastructure Maintenance Program (IMP). Budget 2010 has maintained IMP funding levels which will continue to assist in addressing post-secondary institution facilities in fair and poor condition.

For methodology and data sources related to this measure, please see page 21.

Core Business 2 – Ensuring infrastructure sustainability and stewardship.

GOAL 2 – Sustainable public infrastructure.

In 2010-11, Infrastructure spent approximately $208 million to support the environmental, operational and fiscal sustainability of public infrastructure. The Ministry integrates high environmental and energy efficiency standards into the design and construction of new infrastructure and applies preservation and life cycle management principles to existing public infrastructure.

The Building Owners and Managers Association (BOMA) Building Environmental Standards (BESt) Certification program demonstrates the compliance of existing commercial buildings with best practices in energy, waste and water reduction. The Ministry continued to meet its original target to certify all its large, public government-owned buildings with BOMA BESt. This amounts to more than eight million square feet of building space. Buildings that were originally certified three years ago are in the process of being recertified.

The Ministry of Infrastructure maintained its commitment to adopt Leadership in Energy and Environmental Design (LEED) Silver as the standard for new construction and began targeting LEED Gold standards in several buildings, including the renovation of the Federal Building. LEED Gold buildings cost up to seven per cent more than conventional buildings to construct, but are up to 50 per cent more energy efficient, resulting in lower utility bills and reduced environmental impact over the life of the building.

In 2010-11, the Ministry of Infrastructure implemented a daytime caretaking service in several buildings, reducing the operational hours and decreasing electrical consumption by six per cent. Infrastructure also reduced the environmental impact from water treatment activities through initiatives to pilot organic water treatment options and increase awareness of safe removal practices for harmful products such as glycols and heavy metals.

Performance Measures

Three performance measures are used to indicate how well the Ministry performed in achieving Goal Two: the physical condition of government owned and operated facilities; the average operating cost per square metre of government owned and operated office space compared to the Alberta industry average; and energy consumption in megajoules per square metre in government owned and operated facilities. These measures also link to Goal Four of the *2010-13 Government of Alberta Strategic Business Plan*.

Performance measure 2.a: Government Owned and Operated Facilities – Physical Condition reports the percentage of government owned and operated facilities (by area) in good, fair or poor condition using the FCI. This measure supports Goal Four of the *2010-13 Government of Alberta Strategic Business Plan*,"Alberta will have a financially stable, open and accountable government and maintain its strong position nationally and internationally."

For 2010-11, no new data is available at this time for reporting against the targets because of the change in reporting timelines and improvements to methodology currently being implemented. The results of the methodology improvements will be reflected in future years' data.

Many government owned and operated facilities were built between 1975 and 1985 and are approaching a point where major upgrading or refurbishment will be required to maintain them. Under Budget 2010, the government invested $22.5 million in capital maintenance and renewal projects for the preservation of government-owned facilities.

For methodology and data sources related to this measure, please see page 21.

Performance measure 2.b: Average Operating Cost per Square Metre of Government Owned and Operated Office Space compares the average annual operating cost per rentable square metre of office space in government-owned facilities operated by the Ministry to the Alberta industry average. This measure assists the Ministry in ensuring effective management of all owned facilities to support the delivery of provincial government programs and identifying opportunities for improving cost-effectiveness where appropriate. This measure supports Goal Four of the *2010-13 Government of Alberta Strategic Business Plan*, "Alberta will have a financially stable, open and accountable government and maintain its strong position nationally and internationally."

In 2010-11, the average operating cost of government owned and operated office space was $119.48 per square metre. The costs have decreased slightly from the previous year's result of $125.52. These costs could not be reported as a percentage of the industry average using the previous methodology because BOMA survey data was not available for the current reporting year.

This measure can be directly impacted by inflationary pressures such as rising costs associated with utilities and contracts, as well as ongoing maintenance requirements. This measure is also sensitive to the variability in funding for property operations. As the data on industry average operating costs is no longer available, the Ministry is exploring the possibility of developing a new measure using leased building costs as a comparator.

For methodology and data sources related to this measure, please see page 22.

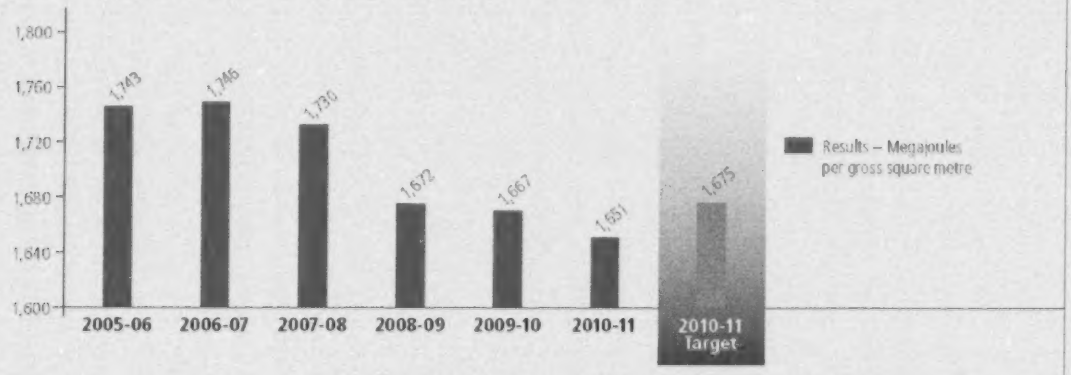
Performance measure 2.c: Energy Consumption in Megajoules per Square Metre in Government Owned and Operated Facilities reports how effectively the Ministry is managing energy and associated costs in government-owned buildings. This measure assists the Ministry in fulfilling its responsibility to effectively manage all owned facilities to support the delivery of government programs, and to identify and implement energy saving initiatives to achieve cost and environmental benefits. The measure supports Goal Four, "Alberta will have a financially stable, open and accountable government and maintain its strong position nationally and internationally," of the *2010-13 Government of Alberta Strategic Business Plan*.

The result from 2010-11 confirms the positive impact of measures taken during the year to reduce energy consumption. These include changes to the operating hours for several office and court buildings, which led to reductions in electricity usage across the entire building portfolio. Weather-adjusted gas consumption remained relatively stable.

This measure is affected by several factors that are beyond the control of the Ministry and is therefore difficult to predict. These include changes to building usage, occupancy levels and climate variations. Major energy saving measures have already been identified and implemented in previous years, resulting in fewer opportunities to improve upon energy use through conservation measures in the future.

For methodology and data sources related to this measure, please see page 22.

Energy Consumption in Government Owned and Operated Facilities



Core Business 3 – Planning and providing government accommodation services to support program facility requirements.

GOAL 3 – High-quality accommodation and property services for government.

In 2010-11, the Ministry of Infrastructure spent $208 million to support high-quality accommodation and support services for government. The Ministry provides facility and accommodation services to all government ministries and assists client ministries in the acquisition and disposal of property. The Ministry also works with Treasury Board to ensure adequate funding is available to meet accommodation needs for government's priority programs. Infrastructure and the Ministry of Solicitor General and Public Security work together to establish minimum security standards for government owned and leased facilities to protect people, assets and information.

This past year, the Ministry of Infrastructure implemented the approved recommendations from the Government Accommodation Review (GAR). The objective of the Review was to examine how accommodation services are provided to the Alberta Public Service, with a view to improve service delivery and optimize resource use. The major goals of GAR were to ensure that government accommodation programs provided more functional space, utilized consistent standards, reduced duplication of effort and lowered costs, energy profiles and carbon footprints.

GAR has been integrated into the larger Corporate Asset Management Program (CAMP), which seeks to ensure that all government facilities that are owned and leased by the Ministry of Infrastructure are managed according to best practices.

Performance Measures

One performance measure, the Client Satisfaction Survey, is used to indicate how well the Ministry performed in achieving Goal Three, "High-quality accommodation and property services for government." This measure also links to Goal Four of the *2010-13 Government of Alberta Strategic Business Plan*, "Alberta will have a financially stable, open and accountable government and maintain its strong position nationally and internationally."

Performance measure 3.a: Client Satisfaction Survey reports the satisfaction of property development and accommodation services clients with services provided by Ministry staff. Infrastructure strives to foster an organization where clients consistently experience positive outcomes when interacting with the Ministry. To allow sufficient time for the Ministry to develop and implement strategies to effectively respond to the results of the client satisfaction survey, the survey is conducted every second calendar year. The survey was not administered in 2010. Results and information derived from the survey are considered in the Ministry's planning cycle to address and improve the satisfaction of clients in the future.

In 2009, client satisfaction was rated at 4.8, an increase of 0.2 points over the 2007 rating of 4.6. Respondents were asked to rate their satisfaction on a six-point scale with one representing "very dissatisfied" and six representing "very satisfied." The client satisfaction survey assesses client satisfaction with property development services which include: short and long-term planning of leasing and accommodation requirements; project implementation of tenant improvements and capital projects; consulting services; space planning; technical expertise; and project management.

For methodology and data sources related to this measure, please see page 23.

Ministry Expense by Function

Ministry of Infrastructure
Expense by Function for the year ended March 31, 2011
(thousands of dollars)

	2010-11 Budget	2010-11 Actual	Comparable 2009-10 Actual
	(Estimates)		
General Government	$ 506,141	$ 479,469	$ 475,969
Health	628,597	146,267	120,583
Environment	28,125	31,026	29,489
Protection of Persons and Property	—	16,225	—
Transportation, Communications and Utilities	4,256	3,174	3,626
Education	6,170	6,168	3,610
Housing	—	—	550
Total Expense by Function	**$ 1,173,289**	**$ 682,359**	**$ 633,827**

In accordance with Government of Alberta accounting principles, the Ministry of Infrastructure classifies its expenses into seven functions. Each of these functions identifies the principal purpose for which Ministry expenditures are incurred. It should be noted that Expense by Function is only for operating expenditures.

Overall, approximately 70 per cent of the Ministry's expenditures support the function of General Government.

Methodology and Data Sources

Goal One – Excellence in the provision of safe, innovative and cost-effective infrastructure for Albertans.

Performance measure 1.a: Health Facilities – Physical Condition

Performance measure 1.a uses two methodologies and data sources to compile the results for health facilities. In 2008-09, Infrastructure commenced the evaluation of health facilities utilizing independent consultants as is done for government-owned buildings and other supported infrastructure (schools and post-secondary). In this process, the data is collected by Ministry staff through condition assessments by and consultants planned over a five-year cycle. Since 2008-09, when the consultant-based evaluations were initiated for health facilities, 120 facilities have been evaluated in this manner. This represents 38.2 per cent of facilities over 1,000 gross square metres. The data collected is stored in an electronic database using a program called Real Estate Capital Asset Priority Planning (RECAPP). RECAPP is produced and maintained by a private sector vendor. The software and its associated methodology are used by other jurisdictions in education, public works and property management settings.

For health facilities not evaluated by consultants through RECAPP, the FCI was calculated based on detailed five-year physical condition deficiency lists provided by the former health regions, supplemented with review by Infrastructure staff.

A province-wide roll-up determines the percentage of health facilities with good, fair or poor ratings. The buildings included in the report are those which are eligible for Infrastructure Maintenance Program funding.

Replacement values were determined using factors such as construction type, maintenance responsibility type, location and gross building area. Health facility replacement values are generated and confirmed in an annual process that involves Ministry cost managers, program areas and Alberta Health Services representatives.

Performance measure 1.b: School Facilities – Physical Condition

Performance measure 1.b uses a Facility Condition Index value to report the physical condition of school facilities. Data is collected through condition assessments, called Facility Condition Rating (FCR), by Ministry staff and consultants. The FCR is established at the time of the consultant assessment. Assessments are conducted over a five-year cycle, with one-fifth (approximately 20 per cent) of the school facilities assessed and their condition rated each year. The condition ratings from current year assessments are combined with those of previous years. Approximately 80 per cent of condition ratings are based on prior year facility assessments. If a facility has been constructed or completely refurbished within the last 10 years, and has not been audited, it is rated as "good."

Facility managers for school boards are now able to update building condition information directly into the evaluation database, which will result in more accurate and timely condition information. Consultant evaluations of infrastructure serve the dual purpose of updating the condition information as well as validating the data entered by the facility managers.

Assessments are conducted for school facilities owned by school boards and funded by the Government of Alberta, and do not include outreach facilities. To optimize evaluation funds, this measure does not include some school buildings with an area of less than 1,000 gross square metres. However, the area of these excluded schools is less than half of a per cent (0.5) of the total schools' area and would not impact the measure.

The replacement cost methodology is being revised to standardize the calculation across all facility types. The new replacement values will affect the Facility Condition Rating and the cumulative FCI.

Performance measure 1.c: Post-Secondary Facilities – Physical Condition

Performance measure 1.c uses the FCI value to report the physical condition of post-secondary facilities. The intention is to conduct assessments on a five-year cycle, with one-fifth (approximately 20 per cent) being evaluated per year. However, a growing inventory is affecting the cycle with approximately one-seventh (approximately 14 per cent) of the post-secondary facilities being assessed and their condition rated each year.

Facility managers for post-secondary institutions have been updating building condition information directly into the evaluation database, resulting in more accurate and timely condition information. Consultant evaluations of infrastructure serve the dual purpose of updating the condition information as well as validating the data entered by the facility managers. This measure uses the "Year End" FCI, which changes annually based on updated information entered into RECAPP by the institutions.

This measure does not include "unsupported" facilities such as residences, parkades and commercial facilities. To optimize evaluation funds, this measure does not include facilities with an area of less than 1,000 gross square metres.

Revisions to the evaluation methodology, including updated replacement values, established in the previous year will continue to impact results over the next year before stabilizing.

Goal Two – Sustainable public infrastructure.

Performance measure 2.a: Government Owned and Operated Facilities – Physical Condition

Performance measure 2.a adopts the FCI as a basis for determining the condition rating of each facility to enhance reporting and enable the Ministry to compare condition ratings across the facility types (government-owned facilities as well as supported, such as health facilities, schools and post-secondary institutions).

Facility managers for government-owned facilities are able to update building condition information directly into the evaluation database, resulting in more accurate and timely condition information. Consultant evaluations of infrastructure serve the dual purpose of updating the condition information as well as validating the data entered by the facility managers.

To optimize evaluation funds, this measure only includes facilities that are over 1,000 gross square metres in size, comprising approximately 90 per cent of the total area of all facilities combined. Facilities owned by the provincial government but leased or operated by a third party are excluded from this measure. Surplus properties approved for disposal are also excluded.

The methodology used to calculate this measure has changed in recent years, giving rise to results for 2008-09 and 2009-10 that are not directly comparable to the results from previous years. The newer FCI method was adopted to enhance reporting and enable the Ministry to compare condition ratings across the facility types (government-owned facilities, as well as supported, schools, health facilities, and post-secondary institutions).

Performance measure 2.b: Average Operating Cost per Square Metre of Government Owned and Operated Office Space

Performance measure 2.b reports the average operating cost of government facilities based on the methodology used in a survey conducted by the Building Owners and Managers Association (BOMA), which was discontinued in 2010. This survey assessed facilities management practices in office buildings and determined the average cost of building operations using established criteria and included the costs of administration, caretaking, grounds, security/safety, routine buildings maintenance, utilities, insurance and grants in place of taxes. Areas excluded from the rentable space calculation included interior parking, elevator/mechanical shafts and external walls. Since the BOMA survey is no longer available, future measures will use the average operating costs based on a sample of leased buildings for the industry benchmark.

Although the BOMA survey is no longer used to determine the Alberta industry average, this costing methodology is used to calculate the average operating cost per square metre for 71 government-owned office buildings using data from various systems, including the Alberta Government Integrated Management Information System (IMAGIS), Facilities and Business Information System (FBIS), Building and Land Information Management System (BLIMS), and grants in place of taxes.

Performance measure 2.c: Energy Consumption in Megajoules per Square Metre in Government Owned and Operated Facilities

Performance measure 2.c indicates how effectively the Ministry is managing energy and associated costs in government-owned buildings using a simple formula: the total annual energy consumption for all buildings divided by the buildings' total gross square metres.

Energy consumption data for over 1,200 gas and electricity sites is provided by various retailers during the year and entered into the Energy Consumption Reporting System. The data is validated, converted from gigajoules and kilowatt-hours into megajoules, and totalled for all buildings. The gas total is adjusted using monthly actual and normal degree day data from Environment Canada to compensate for weather variations. To calculate the measure, the total weather-adjusted consumption is divided by the total square metres based on building areas reported by BLIMS.

Goal Three – High-quality accommodation and property services for government.

Performance measure 3.a: Client Satisfaction Survey

Performance measure 3.a reports the average rating of client satisfaction with property development services provided by Infrastructure. The Client Satisfaction Survey asks respondents to rate their satisfaction on a six-point scale where one equals "very dissatisfied" and six equals "very satisfied."

The 2009 Client Satisfaction Survey was administered by an external consultant to ensure the confidentiality of individual results. The survey was delivered by mail to 23 property development clients and later followed up by telephone. A total of 15 surveys were completed and returned, resulting in a response rate of 65 per cent. None of the contacts were excluded from the analysis due to incorrect contact information or surveys being returned as undeliverable.

On average, the 2009 results are accurate to within plus or minus .60 of a point based on a six-point scale; therefore, the actual satisfaction rating may fall within a range of between 4.2 and 5.4 on a six-point scale. The small number of respondents in this survey may influence the overall validity of the results and lead to exaggerated rather than representational data.

The respondents were asked to rate the overall Property Development Service Area on the service aspects of:

- Clarity of written materials
- Ease of access to information
- Ease of access to services
- Consistency of services
- Staff doing everything to address your needs
- Quality of consultant services
- Facility evaluations and reports
- Timeliness of service delivery
- Proficiency of staff
- Courtesy of staff
- Overall quality of services
- Services provided by Infrastructure in supporting your short and long-term planning
- Project management services from design to construction completion
- Development of long-term options

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Auditor General's Report

Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Financial Statements

I have audited the accompanying financial statements of the Ministry of Infrastructure, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ministry of Infrastructure as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, CA]

Auditor General

May 31, 2011

Edmonton, Alberta

MINISTRY OF INFRASTRUCTURE
STATEMENT OF OPERATIONS
Year ended March 31, 2011

	2011 Budget (Schedule 4)	2011 Actual	2010 Actual (Note 3)
		(in thousands)	
Revenues (Schedule 1)			
Transfers from the Government of Canada	$ 5,786	$ 748	$ -
Parking and Other Fees	16,700	3,194	3,047
Other Revenue	28,356	96,754	36,799
	50,842	100,696	39,846
Expenses - Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	11,953	11,616	13,155
Government Operations	391,048	391,054	389,847
Health Facilities Support	627,673	145,193	119,534
Other Programs and Services	60,462	45,882	39,684
Non-Cash Items	82,153	88,041	78,067
	1,173,289	681,786	640,287
Statutory (Schedules 3 and 5)			
Valuation Adjustments			
Provision for Doubtful Accounts	-	46	(297)
Provision for Vacation Pay	-	527	142
Provision for Future Site Remediation and Reclamation	-	-	(6,305)
	-	573	(6,460)
	1,173,289	682,359	633,827
Gain (Loss) on Disposal of Tangible Capital Assets	-	16,145	896
Net Operating Result	$ (1,122,447)	$ (565,518)	$ (593,085)

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF INFRASTRUCTURE
STATEMENT OF FINANCIAL POSITION
As at March 31, 2011

	2011	2010 (Note 3)
	(in thousands)	
Assets		
Cash and Cash Equivalents	$ 11,034	$ 435
Accounts Receivable (Note 4)	18,865	7,945
Advances (Note 5)	172	217
Inventories	2,294	2,300
Tangible Capital Assets (Note 6)	2,468,846	2,240,429
	$ 2,501,211	$ 2,251,326
Liabilities		
Accounts Payable and Accrued Liabilities	$ 179,528	$ 82,059
Holdbacks Payable	60,940	28,459
Unearned Revenue	4,583	9,055
Liabilities for Future Site Remediation and Reclamation (Note 2b)	44,584	40,701
	289,635	160,274
Net Assets		
Net Assets at Beginning of Year, as restated (Note 3a)	2,091,052	1,851,914
Net Operating Result	(565,518)	(593,085)
Net Financing Provided from General Revenues	686,042	832,223
Net Assets at End of Year	2,211,576	2,091,052
	$ 2,501,211	$ 2,251,326

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF INFRASTRUCTURE
STATEMENT OF CASH FLOWS
Year ended March 31, 2011

	2011	2010 (Note 3)
	(in thousands)	
Operating Transactions		
Net Operating Result	$ (565,518)	$ (593,085)
Non-cash items included in Net Operating Results:		
Amortization of Capital Assets and Consumption of Inventory	81,410	77,688
Gain on Disposal of Tangible Capital Assets	(16,145)	(896)
Grants in Kind	6,631	379
Other	4,148	4,148
Valuation Adjustments	573	(6,460)
	(488,901)	(518,226)
Changes in Working Capital		
(Increase) in Accounts Receivable	(10,965)	(1,986)
Decrease in Advances	45	(30)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	96,942	(30,219)
Increase in Holdbacks Payable	32,481	10,538
Decrease in Deferred Revenue	(4,472)	6,125
Decrease in Liabilities for Future Site Remediation and Reclamation	(264)	(2,379)
Cash Applied to Operating Transactions	(375,134)	(536,177)
Capital and Inventory Transactions		
Acquisition of Tangible Capital Assets	(311,777)	(300,870)
Purchase of Inventories	(2,500)	(1,103)
Transfer of Tangible Capital Assets to Other Government Entities	3,206	4,542
Proceeds from Disposal of Tangible Capital Assets	10,762	1,126
Cash Applied to Capital and Inventory Transactions	(300,309)	(296,305)
Financing Transactions		
Net Financing Provided from General Revenues	686,042	832,223
Cash Provided by Financing Transactions	686,042	832,223
Increase in Cash and Cash Equivalents	10,599	(259)
Cash and Cash Equivalents, at Beginning of Year	435	694
Cash and Cash Equivalents, at End of Year	$ 11,034	$ 435

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF INFRASTRUCTURE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 AUTHORITY AND PURPOSE

The Ministry of Infrastructure (the "Ministry") operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Minister of Infrastructure (the "Minister") is responsible for working with partners and stakeholders to:

- support the provision of health, learning, and other public infrastructure;
- operate, maintain and preserve government-owned and leased properties;
- provide professional expertise on capital planning, design, construction, procurement, costing, project management and facility evaluation and preservation;
- provide accommodation and realty services to all government ministries, including space planning and leasing as well as the purchase and sale of property; and
- manage the Edmonton and Calgary Transportation and Utility Corridors, and the Swan Hills Treatment Centre.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting Standards.

(a) Reporting Entity

The reporting entity is the Ministry of Infrastructure for which the Minister of Infrastructure is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing Provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met and a reasonable estimate of the amounts can be made. Transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities or unearned revenue.

Credit or Recovery

Credit or Recovery initiatives provide a basis for authorizing spending. Credit or Recoveries are shown in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual credit or recovery amounts exceed budget, the Ministry may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's credit or recovery initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses include:

- amortization of tangible capital assets.
- pension costs, which are the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees, indemnities and site remediation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

- government transfers which are transfers of money to an individual, an organization or another government for which the Ministry does not receive any goods or services directly in return. The major types of transfers and corresponding recognition criteria are as follows:
  - grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made;
  - entitlements, which are non-discretionary because the amounts and recipients are prescribed, are recognized when eligibility occurs;
  - transfers under shared cost agreements, which are reimbursements of eligible expenditures, are recognized when the expenditures occur.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are not recognized and are disclosed in Schedule 7 and allocated to programs in Schedule 8.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Inventories are valued at lower of cost or replacement cost.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000. All land is capitalized.

Tangible capital assets of the Ministry include work in progress. These costs are capitalized but not amortized until the asset is in service.

Donated tangible capital assets are recorded at their fair value at the time of contribution. Amortization is only charged if the asset is in use.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the fair values of these physical assets less any nominal proceeds are recorded as grants in kind.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in a sacrifice of economic benefits in the future.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

Net Assets

Net assets represents the difference between the carrying value of assets held by the Ministry and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable, accrued liabilities, and holdbacks are estimated to approximate their carrying values because of the short term nature of these instruments.

Site Remediation and Reclamation Liabilities

The Ministry has compiled a list of all potential sites and reviews the list at least annually.

Site remediation and reclamation liability is recorded when:

- the sites are no longer in operation and where remediation is legally enforceable.
- the sites are in operation and remediation will take place when the asset is retired.

Measurement Uncertainty
(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

Site Remediation and Reclamation

Liabilities for Future Site Remediation and Reclamation recorded as $44,584 (2010-$40,701) in these financial statements are subject to measurement uncertainty.

The recorded amount is based on management's estimates and historical costs to remediate or reclaim sites as well as expected expenditures on future reclamation activity. Actual costs may vary from these estimates and the variances may be material.

NOTE 3 GOVERNMENT RESTRUCTURING

(in thousands)

During the year, the Ministry restated the financial statements previously presented for the effects of changes resulting from program transfers to other departments of the government. The financial impact of these changes on net assets is explained further below.

(a) Program Transfers

Effective April 1, 2010, responsibility for funding health capital facilities was transferred from the Ministry of Health and Wellness to the Ministry of Infrastructure. The 2010 comparatives have been restated as if the Ministry had always been assigned with its current responsibilities.

	As previously reported	Impact of the Change	As restated
Other revenue was increased by the interest earned on the CCITF account	$ 24,855	$ 11,944	$ 36,799
Expenses were increased by the amount of health facilities support grants provided to Alberta Health Services	-	119,534	119,534
Net Operating Result was decreased	(485,495)	(107,590)	(593,085)
Net Financing Provided from General Revenues was increased	724,633	107,590	832,223
Net Assets at End of Year, was unchanged	$2,091,052	$ -	$ 2,091,052

NOTE 4 ACCOUNTS RECEIVABLE

(in thousands)

	2011			2010
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Swan Hills Treatment Plant	$ 1,645	$ -	$ 1,645	$ 4,196
Rental and Other	16,718	484	16,234	1,953
Cost Recoveries	986	-	986	1,796
	$ 19,349	$ 484	$ 18,865	$ 7,945

Accounts receivable are unsecured and non-interest bearing.

NOTE 5 ADVANCES

(in thousands)

	2011			2010
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Travel advances	$ -	$ -	$ -	$ 1
Other advances	172	-	172	216
	$ 172	$ -	$ 172	$ 217

NOTE 6 TANGIBLE CAPITAL ASSETS

(in thousands)

The cost of assets and the related accumulated amortization for the Ministry are summarized below.

		2011 Historical Cost (1)			
	Estimated Useful Life	Beginning of Year	Additions	Disposals, adjustments, write-downs	End of Year
Land	Indefinite	$ 719,201	$ 28,753	$ (4,521)	$ 743,433
Land Improvements	40 years	11,086	174	289	$ 11,549
Buildings	40 years	2,463,557	255,834	(1,897)	$ 2,717,494
Equipment	5-40 years	23,138	17	(34)	$ 23,121
Computer hardware and software	3-10 years	24,434	2,867	-	$ 27,301
Other (2)	3-40 years	148,205	24,132	(458)	$ 171,879
		$3,389,621	$ 311,777	$ (6,621)	$ 3,694,777
2010 Total		$3,095,258	$ 300,870	$ (6,507)	$ 3,389,621

	2011 Accumulated Amortization				Net Book Value	
	Beginning of Year	Amortization Expense	Effect of Disposals	End of Year	March 31, 2011	March 31, 2010
Land	$ -	$ -	$ -	$ -	$ 743,433	$ 719,201
Land Improvements	2,986	505	-	$ 3,491	8,058	8,100
Buildings	1,062,842	53,952	(2,131)	$ 1,114,663	1,602,831	1,400,715
Equipment	11,923	2,361	(34)	$ 14,250	8,871	11,215
Computer hardware and software	16,154	2,156	-	$ 18,310	8,991	8,280
Other (2)	55,287	19,930	-	$ 75,217	96,662	92,918
	$ 1,149,192	$ 78,904	$ (2,165)	$ 1,225,931	$ 2,468,846	$ 2,240,429
2010 Total	$ 1,073,934	$ 76,614	$ (1,356)	$ 1,149,192		

(1) Included in the cost of land improvements, buildings, equipment, computer hardware and software is work in progress amounting to $ 639,551 (2010 - $392,346).

(2) Includes trailers and leasehold improvements.

NOTE 7 CONTRACTUAL OBLIGATIONS

(in thousands)

As at March 31, 2011, the Ministry had the following contractual obligations:

	2011	2010
Capital Investment		
Construction Contracts and Service Agreements	$ 545,444	$ 739,413
Expense		
Maintenance Contracts and Service Agreements	1,133,133	1,074,167
Grants	859,193	-
Long-term Leases	943,968	985,957
	$ 3,481,738	$ 2,799,537

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	Capital Investment	Expense			
	Construction Contracts and Service Agreements	Maintenance Contracts and Service Agreements	Grants	Leases	Grand Total
2011	$ 401,325	$ 204,493	$ 322,573	$ 178,812	$ 1,107,203
2012	142,845	141,958	290,118	157,819	732,740
2013	1,244	102,391	238,237	133,358	475,230
2014	15	72,278	6,640	108,289	187,222
2015	15	35,324	1,625	91,886	128,850
Thereafter	-	576,689	-	273,804	850,493
	$ 545,444	$1,133,133	$ 859,193	$ 943,968	$ 3,481,738

NOTE 8 SWAN HILLS TREATMENT CENTRE

(in thousands)

On December 31, 2000, the buildings and equipment of the Swan Hills Treatment Centre were acquired by the Ministry for one dollar from a subsidiary of Bovar Inc.. The facility is operated by the Ministry through a contracted operator and results of operations are included in these financial statements.

In addition, certain lands relating to the Swan Hills Treatment Centre and the associated environmental obligations were transferred to the Ministry effective March 31, 2004.

As a result of an agreement between Ministers of Environment, Infrastructure, and Sustainable Resource Development, the land and responsibilities of the Swan Hills Waste Treatment Centre and related warehouse sites were transferred to the Ministry.

A study was done by an environmental consultant in October 2002 to determine the estimated cost of remediating and monitoring the Swan Hills Treatment Centre site in 2018. During the 2007-2008 fiscal year, an environmental consultant updated the estimate to $62.14 million. The annual provision is $4.148 million based on the revised liability of $62.14 million in 2018.

On July 11, 2009, a fire occurred at the Swan Hill Treatment Centre. The cost of repairs is $7.239 million. The plant resumed normal operations on May 17, 2010. Insurance covered the cost of the repairs except for the $300 insurance deductible.

NOTE 8 SWAN HILLS TREATMENT CENTRE (Cont'd)

(in thousands)

At March 31, 2011 the assets and liabilities of plant operations were as follows:

	2011	2010
Assets		
Accounts Receivable	$ 1,645	$ 4,196
Chemical and parts inventories	2,294	2,300
Capital Assets	12,810	14,499
	$ 16,749	$ 20,995
Liabilities		
Accounts Payable and Accrued Liabilities	$ 4,216	$ 5,044
Deferred Revenue	3,123	8,259
	$ 7,339	$ 13,303

Net operating results from plant operations for the years ended March 31 were as follows:

	2011	2010
Revenue		
Operating revenue	$ 14,188	$ 1,889
Insurance recoveries	1,780	5,159
	15,968	7,048
Expenses		
Plant operating expenses before inventory transactions (1)	26,606	21,924
Fire damage repairs	1,780	5,846
Consumption of consumable and repair part inventories	2,506	1,074
Amortization (2)	2,833	3,092
	33,725	31,936
Net operating results from plant operations	$ (17,757)	$ (24,888)
Purchase of consumable and repair part inventories	$ 2,500	$ 1,103
Capital investment in plant and equipment	$ 1,145	$ 3,383

(1) The amount reported on Schedule 5 includes expenses for environmental and financial assessments of $134 (2010 - $165). Plant costs include a provision of $4,148 for site reclamation and environmental monitoring.

(2) Included in Financial Transactions on Schedule 5.

NOTE 9 TRUST FUNDS UNDER ADMINISTRATION

(in thousands)

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

As at March 31, 2011, trust funds under the Ministry's administration were as follows:

	2011	2010
The General Trust Fund	$ 1,609	$ 1,309
The Security Deposit Trust Fund	163	161
	$ 1,772	$ 1,470

The General Trust Fund holds interest bearing securities posted by contractors.
The Security Deposit Trust Fund holds deposits from tenants for rented property.

NOTE 10 CONTINGENT LIABILITIES

(in thousands)

At March 31, 2011 the Ministry is a defendant in thirty-one legal/other claims (2010 - thirty two claims). Twenty-seven of these claims have specified amounts totaling $ 371,247 and the remaining four have no specified amounts (2010 - twenty-three claims with a specified amount of $388,265 and nine with no specified amount). Eight claims amounting to $2,692 (2010 - eight claims amounting to $2,097) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

NOTE 11 PAYMENTS UNDER AGREEMENT

(in thousands)

The Ministry entered into an agreement to deliver programs and services that are fully funded by Alberta Health Services. Costs under these agreements are incurred by the Department under authority in Section 25 of the Financial Administrations Act. Accounts payable includes $20,008 (2010 - $0) relating to payments under the agreement.

Amounts paid and payable under agreement with the program sponsor are as follows:

	2011	2010
Alberta Health Services	$ 60,000	$ -

NOTE 12 DEFINED BENEFIT PLANS

(in thousands)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $6,764 for the year ended March 31, 2011 (2010 - $5,939).

At December 31, 2010, the Management Employees Pension Plan reported a deficiency of $397,087 (2009 - $483,199) and the Public Service Pension Plan reported a deficiency of $2,067,151 (2009 - $ 1,729,196). At December 31, 2010, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $39,559 (2009 - deficiency $39,516).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2011, the Bargaining Unit Plan reported an actuarial deficiency of $4,141 (2010 - deficiency $8,335) and the Management, Opted Out and Excluded Plan an actuarial surplus of $7,020 (2010 - surplus $7,431). The expense for these two plans is limited to employer's annual contributions for the year.

NOTE 13 COMPARATIVE FIGURES

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

NOTE 14 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

MINISTRY OF INFRASTRUCTURE
SCHEDULE TO FINANCIAL STATEMENTS
Revenues
Year ended March 31, 2011

Schedule 1

	2011		2010
	Budget	Actual	Actual
		(in thousands)	(Note 3)
Transfers from the Government of Canada			
Cost Recoveries and Contributions	$ 5,786	$ 748	$ -
Parking and Other Fees			
Civil Service Parking	16,700	3,194	3,047
Investment Income			
Investment Income	5,521	6,559	11,949
Other Revenue			
Refunds of Expenditure	1,400	57,372	2,008
Lethbridge Railway Relocation Project	-	-	543
Swan Hills Treatment Centre	9,000	14,188	1,889
Rentals (Land and Buildings)	10,780	12,893	15,090
Cost Recoveries	-	3,739	5,192
Donated Tangible Capital Asset	-	-	-
Miscellaneous	1,655	2,003	128
	22,835	90,195	24,850
	$ 50,842	$ 100,696	$ 39,846

MINISTRY OF INFRASTRUCTURE
SCHEDULE TO FINANCIAL STATEMENTS
Credit or Recovery
Year ended March 31, 2011

Schedule 2

	2011		
	Authorized	Actual (in thousands)	(Shortfall)/ Excess
Expense			
Property Rentals (Land & Buildings)	$ 12,944	$ 12,893	$ (51)
Swan Hills Treatment Centre	11,500	14,188	2,688
Alberta Innovates Washroom Upgrade Operating	1,602	1,602	-
Alberta Innovates Washroom Upgrade Capital	97	91	(6)
Field BC Washroom Upgrade	786	748	(38)
Bow Habitat Station Pond	275	266	(9)
	$ 27,204	$ 29,788	$ 2,584 (1)

(1) Shortfall is deducted from current year's authorized budget, as disclosed in Schedules 4 and 5 to the financial statements.

Property Rentals
Rent is charged to agencies of government and other entities which occupy space in government operated buildings or which utilize land owned by government.

Swan Hills Treatment Centre
The private sector is charged for the disposal of hazardous waste.

AB Innovates - Technology Futures Phase I Implementation Operating
Alberta Innovates Technology Futures is contributing to the Phase I implementation of the Alberta Biomaterials Development Centre Development Centre.

AB Innovates - Technology Futures Phase I Implementation Capital
Alberta Innovates Technology Futures is contributing to the Phase I implementation of the Alberta Biomaterials Development Centre Development Centre.

Field BC Washroom Upgrade
Parks Canada is contributing to the renovation and the construction of the washroom upgrade at the Field BC Travel Information Centre.

Kids Can Katch Fish Pond
The Bow Habitat Station Volunteer Society and the federal government are contributing to the construction of the fish pond at the Sam Livingston Fish Hatchery.

The above dedicated revenues are included in the Statement of Operations.

MINISTRY OF INFRASTRUCTURE
SCHEDULE TO FINANCIAL STATEMENTS
Expenses - Directly Incurred Detailed by Object
Year ended March 31, 2011

Schedule 3

	2011		2010
	Budget	Actual	Actual
		(in thousands)	(Note 3)
Voted			
Salaries, Wages and Employee Benefits	$ 61,218	$ 68,016	$ 67,553
Supplies and Services	377,145	370,863	374,615
Grants	652,673	161,396	120,326
Financial Transactions and Other	100	101	105
Amortization of Tangible Capital Assets and Consumption of Inventory	82,153	81,410	77,688
Total Voted Expenses	$ 1,173,289	$ 681,786	$ 640,287
Statutory			
Valuation Adjustments			
Provision for Doubtful Accounts	$ -	$ 46	$ (297)
Provision for Vacation Pay	-	527	142
Provision for Future Site Remediation and Reclamation	-	-	(6,305)
	$ -	$ 573	$ (6,460)

MINISTRY OF INFRASTRUCTURE
SCHEDULE TO FINANCIAL STATEMENTS
Budget
Year ended March 31, 2011

Schedule 4

	2010-11 Estimates	Adjustment (a)	2010-11 Budget	Authorized Supplementary	2010-11 Authorized Budget
			(in thousands)		
Revenues					
Transfers from the Government of Canada	$ 5,786	$ -	$ 5,786	$ -	$ 5,786
Investment Income	5,521	-	5,521	-	5,521
Fees, Permits and Licenses	16,700	-	16,700	-	16,700
Other Revenue	22,835	6,638	29,473	-	29,473
	50,842	6,638	57,480	-	57,480
Expenses - Directly Incurred					
Voted Expenses					
Ministry Support Services	11,953	-	11,953	-	11,953
Government Operations	391,048	6,088	397,136	-	397,136
Health Facilities Support	627,673	-	627,673	-	627,673
Other Programs and Services	60,462	(8,717)	51,745	-	51,745
Non-Cash Items	82,153	-	82,153	-	82,153
Credit or Recovery Shortfall (Schedule 2)	-	-	-	-	-
	1,173,289	(2,629)	1,170,660	-	1,170,660
Statutory Expenses					
Valuation Adjustments	-	-	-	-	-
	1,173,289	(2,629)	1,170,660	-	1,170,660
Net Operating Results	$ (1,122,447)	$ 9,267	$ (1,113,180)	$ -	$ (1,113,180)
Equipment/Inventory Purchases	$ 10,382	$ 178	$ 10,560	$ -	$ 10,560
Capital Investment	$ 396,319	$ 66,738	$ 463,057	$ -	$ 463,057

(a) Adjustments include encumbrances, credit or recovery increases approved by Treasury Board and credit or recovery shortfalls. In the event that actual voted Expense, Equipment/Inventory Purchases and Capital Investment in the prior year exceed the authorized budget, the difference is known as an encumbrance. The encumbrance reduces the budgeted amount voted in the current year. Treasury Board approval is pursuant to section 24(2) of the Financial Administration Act.

MINISTRY OF INFRASTRUCTURE
SCHEDULE TO THE FINANCIAL STATEMENTS
Comparison of Expenses - Directly Incurred, Equipment/Inventory (EIP) and Capital Investment, Statutory Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget
Year ended March 31, 2011

Schedule 5

		2010-11 Estimates	Adjustments (a)	2010-11 Budget	Authorized Supplementary (b)	2010-11 Authorized Budget	2010-11 Actual Expense	Unexpended (Over Expended)
					(in thousands)			
Voted Expense, Debt Servicing Costs, EIP and Capital Investments								
1	**Ministry Support Services**							
1.0.1	Minister's Office	$ 530	$ -	$ 530	$ -	$ 530	$ 486	$ 44
1.0.2	Deputy Minister's Office	605	-	605	-	605	624	(19)
1.0.3	Communications	414	-	414	-	414	446	(32)
1.0.4	Strategic Services							
	- Expense	10,404	-	10,404	-	10,404	10,060	344
	- Equipment/Inventory Purchases	4,161	-	4,161	-	4,161	2,573	1,588
Total Program 1		16,114	-	16,114	-	16,114	14,189	1,925
2	**Government Operations**							
2.0.1	Property Operations							
	- Expense	162,627	2,164	164,791	-	164,791	162,466	2,325
	- Equipment/Inventory Purchases	-	-	-	-	-	33	(33)
2.0.2	Leases							
	- Expense	167,583	-	167,583	-	167,583	179,218	(11,635)
2.0.3	Accommodation Program							
	- Expense	24,000	1,424	25,424	-	25,424	3,204	22,220
	- Equipment/Inventory Purchases	-	178	178	-	178	15,043	(14,865)
	- Capital Investment	786	6,901	7,687	-	7,687	9,883	(2,196)
2.0.4	Government Owned Facilities Preservation							
	- Expense	9,675	-	9,675	-	9,675	6,992	2,683
	- Capital Investment	-	-	-	-	-	8,175	(8,175)
2.0.5	Land Services							
	- Expense	1,038	-	1,038	-	1,038	643	395
	- Capital Investment	26,300	9,900	36,200	-	36,200	29,553	6,647
2.0.6	Swan Hills Treatment Centre							
	- Expense	26,125	2,500	28,625	-	28,625	28,520	105
	- Equipment/Inventory Purchases	6,221	-	6,221	-	6,221	3,645	2,576
2.0.7	Capital Construction Program							
	- Expense	-	-	-	-	-	10,011	(10,011)
	- Capital Investment	369,233	48,437	417,670	-	417,670	238,816	178,854
Total Program 2		793,588	71,504	865,092	-	865,092	696,202	168,890

Schedule 5 (Cont'd)

		2010-11 Estimates	Adjustments (a)	2010-11 Budget	Authorized Supplementary (b)	2010-11 Authorized Budget	2010-11 Actual Expense	Unexpended (Over Expended)
3	**Health Facilities Support**							
3.0.1	Health Facilities Infrastructure							
	- Expense	539,373	-	539,373	-	539,373	145,193	394,180
3.0.2	Health Capital Maintenance and Renewal							
	- Expense	88,300	-	88,300	-	88,300	-	88,300
Total Program 3		627,673	-	627,673	-	627,673	145,193	482,480
4	**Other Programs And Services**							
4.0.1	Natural Gas Rebates	-	-	-	-	-	-	-
4.0.2	Infrastructure Planning							
	- Expense	3,265	750	4,015	-	4,015	3,318	697
4.0.3	Capital for Emergent Projects							
	- Expense	25,000	(10,467)	14,533	-	14,533	5,636	8,897
	- Capital Investment	-	1,500	1,500	-	1,500	6,338	(4,838)
4.0.4	Program Services							
	- Expense	32,197	1,000	33,197	-	33,197	36,928	(3,731)
	- Equipment/Inventory Purchases	-	-	-	-	-	218	(218)
Total Program 4		60,462	(7,217)	53,245	-	53,245	52,438	807
5	**Non-Cash Items**							
5.0.1	Amortization of Capital Assets	80,153	-	80,153	-	80,153	78,904	1,249
5.0.2	Consumption of Inventories	2,000	-	2,000	-	2,000	2,506	(506)
5.0.3	Nominal Sum Disposals	-	-	-	-	-	6,631	(6,631)
Total Program 5		82,153	-	82,153	-	82,153	88,041	(5,888)
Dedicated Revenue Shortfall (Schedule 2)		-	-	-	-	-	-	-
Grand Total		$ 1,579,990	$ 64,287	$ 1,644,277	$ -	$ 1,644,277	$ 996,063	$ 648,214
Expense		$ 1,173,289	$ (2,629)	$ 1,170,660	$ -	$ 1,170,660	$ 681,786	$ 488,874
Equipment/Inventory Purchases		10,382	178	10,560	-	10,560	21,512	(10,952)
		1,183,671	(2,451)	1,181,220	-	1,181,220	703,298	477,922
Capital Investment		396,319	66,738	463,057	-	463,057	292,765	170,292
		$ 1,579,990	$ 64,287	$ 1,644,277	$ -	$ 1,644,277	$ 996,063	$ 648,214

Schedule 5 (Cont'd)

	2010-11 Estimates	Adjustments (a)	2010-11 Budget	Authorized Supplementary (b)	2010-11 Authorized Budget	2010-11 Actual Expense	Unexpended (Over Expended)
Statutory Expense							
Valuation Adjustments							
Provision for Doubtful Accounts	$ -	$ -	$ -	$ -	$ -	$ 46	$ (46)
Provision for Vacation Pay	-	-	-	-	-	527	(527)
Provision for Future Site Remediation	-	-	-	-	-	-	-
	$ -	$ -	$ -	$ -	$ -	$ 573	$ (573)

(a) Adjustments include encumbrances, credit or recovery increases approved by Treasury Board and credit or recovery shortfalls. In the event that actual voted Expense, Equipment/Inventory Purchases (EIP) and Capital Investment in the prior year exceeded the authorized budget, the difference is known as an encumbrance. The encumbrance reduces the budgeted amount for Voted Expense, EIP and Capital Investment in the current year. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act*.

(b) Supplementary Estimates were approved on March 14, 2011.

MINISTRY OF INFRASTRUCTURE **Schedule 6**
SCHEDULES TO FINANCIAL STATEMENTS
Salary and Benefits Disclosure
Year ended March 31, 2011

	2011				2010
	Base Salary (1)	Other Cash Benefits (2)	Other Non-cash Benefits (3)	Total	Total
Deputy Minister [4]	$ 264,576	$ 1,750	$ 64,046	$ 330,373	$ 327,246
Current Executives					
Assistant Deputy Minister, Properties [5]	172,082	232,283	22,297	426,663	194,123
Assistant Deputy Minister, Capital Projects	183,350	1,750	45,313	230,413	213,832
Assistant Deputy Minister, Policy and Corporate Services [6]	171,588	1,750	41,180	214,518	212,257
Executive Director, Finance	139,320	1,750	34,934	176,004	176,997
Executive Director, Human Resources [6,7]	141,844	1,750	34,062	177,656	188,353

Prepared in accordance with Treasury Board Directive 12/98 as amended.

Total salary and benefits related to a position are disclosed.

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include vacation payouts, overtime and lump sum payments. There were no bonuses paid in 2011.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life, insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in non-cash benefits figures.

(5) From November to December 2010 management staff were acting in the position. The incumbent was appointed to this position in January, 2011.

(6) The incumbent's services are shared with the Ministry of Transportation which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this Schedule.

(7) From November 2010 to February 2011 management staff were acting in the position. The incumbent was appointed to this position in March, 2011.

MINISTRY OF INFRASTRUCTURE **Schedule 7**
SCHEDULES TO FINANCIAL STATEMENTS
Related Party Transactions
Year ended March 31, 2011
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statements of Operations and the Statements of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2011	2010
Revenues		
Parking/Rental	$ 2,409	$ 2,994
SUCH Sector Entities	925	1,086
Swan Hills Treatment Centre	360	480
	$ 3,694	$ 4,560
Expenses - Directly Incurred		
Business and Technology Services	$ 989	$ 956
SUCH Sector Entities	149,583	7,130
Insurance	2,183	2,160
	$ 152,755	$ 10,246
Tangible Capital Assets Transferred In (Out)	$ 3,205	$ 4,542
Accounts Receivable from SUCH[1] Sector Entities	$ 13,089	$ 300
Accounts Payable to SUCH[1] Sector Entities	$ 39,833	$ 878
Nominal Sum Disposals to SUCH[1] Sector Entities	$ -	$ -
Proceeds on sale of net Tangible Capital Assets Sold to SUCH Sector Entities	$ -	$ -
Accounts Receivable	$ 811	$ 40

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These expense amounts are not recorded in the financial statements but are disclosed in Schedule 8.

	Other Entities	
	2011	2010
Revenue		
Accommodation	$ 406,271	$ 398,218
Expenses - Incurred by Others (Schedule 8)		
Accommodation	$ 2,474	$ 2,322
Air Transportation/Executive Vehicles	93	111
Business Services	5,945	4,140
Internal Audit	41	-
Legal	559	520
	$ 9,112	$ 7,093

(1) SUCH - Schools, Universities, Colleges and Hospitals

MINISTRY OF INFRASTRUCTURE
SCHEDULE TO THE FINANCIAL STATEMENTS **Schedule 8**
ALLOCATED COSTS
Year ended March 31, 2011
(In thousands)

	2011								2010
		Expenses - Incurred by Others			Valuation Adjustments (5)				(Note 3)
Program	Expenses (1)	Accommodation Costs (2)	Business Services (3)	Legal Services (4)	Vacation Pay	Doubtful Accounts	Others	Expenses	Expenses
Ministry Support Services	$ 11,616	$ 282	$ 6,079	$ 86	$ 85	$ -	$ -	$ 18,148	$ 17,847
Government Operations	391,054	1,015	-	232	(66)	46	-	392,281	384,372
Health Facilities Support	145,193	-	-	-	-	-	-	145,193	119,534
Other Programs and Services	45,882	1,177	-	241	508	-	-	47,808	41,100
Non-Cash Items	88,041	-	-	-	-	-	-	88,041	78,067
	$ 681,786	$ 2,474	$ 6,079	$ 559	$ 527	$ 46	$ -	$ 691,471	$ 640,920

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments

(2) Cost shown for Accommodation (includes grants in lieu of taxes) on Schedule 7, allocated by number of employees in program.

(3) Costs shown for Business Services include charges for financial and information technology support, vehicles and air transportation.

(4) Cost shown for Legal Services on Schedule 7, allocated by estimated costs incurred by each program.

(5) Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts and Others provision included in Valuation Adjustments were allocated as follows:
- Vacation Pay - allocated to the program by employee,
- Provision for Doubtful Accounts - estimated allocation to program.

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